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IN THE

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Supreme Court of the United States,

OCTOBER TERM 1937.

No. 72

CROWN CORK & SEAL COMPANY, INC.,

Plaintiff-Petitioner,

v.

FERDINAND GUTMANN & CO.,

Defendant-Respondent.

**SUPPLEMENTAL BRIEF FOR DEFENDANT-
RESPONDENT.**

WILLIAM E. WARLAND,
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Counsel for Defendant-Respondent.

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PAGE

INDEX.

| | PAGE |
|---|-------|
| Abandonment | 1-3 |
| The application for 1,788,260, parent of the re-issue, has no disclosure to entitle Warth to an interfer- ence with the Johnson patent..... | 3-7 |
| Cases cited by Petitioner..... | 7-8 |
| The Warth-Johnson interference 66,201..... | 8 |
| Respondent is licensed to use the machines it bought from Johnson | 8-10 |
| Petitioner's discussion of the fact testimony..... | 10-11 |
| Prior art | 11-13 |
| Conclusion | 13 |

Authorities.

| | |
|---|---|
| Planing-Machine Co. vs. Keith, 101 U. S. 479..... | 3 |
| Rifle & Cartridge Co. vs. Whitney Arms Co., 118 U. S. 22 | 3 |

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Petitioner has filed two reply briefs, one directed to the case generally and one solely to the question of validity over the prior art. Petitioner has raised some new points therein not previously referred to in the case and respondent feels obliged to reply thereto briefly.

Abandonment.

Petitioner, on page 3 of its reply brief raises the point that the defense of abandonment was not pleaded in accordance with the statutes and therefore respondent cannot argue the point at this time.

In its numerous briefs before the District Court, the Circuit Court of Appeals, and in this Court in its briefs in support of the petition for the writ, and in its main brief on this argument Petitioner never raised this point, although the question of abandonment was distinctly raised and passed on by the District Court which said in its opinion in discussing the two patents in controversy (p. 1800, Rec.):

"The subject matter was not abandoned, *as suggested by defendant*, but was specifically reserved by continuous inclusion in the divisional application and later in the second division."

The cases cited by petitioner* on page 3 of its brief to the effect that the rules of pleading require that the defense of abandonment must be pleaded before proof can be offered in support of it, were all concerned with cases in which the *invention* had been abandoned either before filing application for patent or by some failure to comply with the rules of the Patent Office during the course of the application, and none were concerned with a situation where an applicant either failed to assert any claim to subject matter of an application or deliberately cancelled such subject matter in order to obtain a patent.

The following language of the Court of Appeals (p. 1838, R.) in reference to the two patents involved in the case, at bar, while not specifically mentioning the word "abandonment" indicates that it considered Warth had in fact abandoned his preheating claims.

"but, in the case at bar, for a period of more than two years Warth apparently did not wish to claim the pre-heating method, having deliberately cancelled the pre-heating specification from his original application and shaped his claims so as to exclude it and his patent having been granted January 6, 1931."

We think it is immaterial whether the act of Warth is termed an actual or constructive abandonment, or *laches* which amount to abandonment. We believe that the theory upon which this court decided the case of *Webster v. Splitdorf* was that the inventor in that case had been guilty of

* *Mast Foos & Co. v. Dempster*, (C. C. A. 8th) 82 F. 327; *Western Electric Co. v. Sperry Electric Co.*, (C. C. A. 7th) 58 Fed. 186, 192; *Warren Featherbone Co. v. Warner Bros. Co.*, (C. C. Conn.) 92 Fed. 990, 991; *U. S. Electric v. Consolidated*, (C. C. N. Y.) 33 Fed. 869, 871; *Abrahams v. Universal Wire Co.*, 10 F. (2d) 838, 842 (D. C. E. D. N. Y.).

such *laches* as to amount to abandonment. The Court of Appeals in this case, as we pointed out on page 9 of our main brief, said in the case of *Western Electric v. General Talking Pictures Co.* in speaking of the case at bar:

"The patentee (Warth) had really abandoned the invention, and we said, 'might never have considered the subject worth claiming as an invention.'"

Abandonment is a question of intent and intent can only be proven by a man's acts. This court said in the case of *Planing-Machine Co. v. Keith*, 101 U. S. 479 at page 484:

"It has sometimes been said that an invention cannot be held to have been abandoned, unless it was the intention of the inventor to abandon it. But this cannot be understood as meaning that such an intention must be expressed in words. In *Kendall et al. v. Winsor* (21 How. 322), this Court said, 'it is the unquestionable right of every inventor to confer gratuitously the benefits of his ingenuity upon the public, and this he may do either by express declaration or by conduct equally significant with language; such, for instance, as an acquiescence with full knowledge in the use of his invention by others; or he may forfeit his rights as an inventor by a wilful or negligent postponement of his claims. * * * but it is obvious there may be an abandonment as well after such an application has been made and rejected, or withdrawn, as before, and evidenced in the same manner.'"

Following that decision this court said in *Rifle and Cartridge Co. v. Whitney Arms Co.*, 118 U. S. 22:

"The decision of the Commissioner in favor of the applicant, upon the question whether the invention has been abandoned, is not conclusive, but may be contested and reviewed in a suit brought for the infringement of the patent."

The application for patent 1,788,260 (parent of the reissue) filed Jan. 7th, 1927 had no disclosure to entitle Warth to have that application placed in interference with Johnson.

In answer to Petitioner's contention, page 20 its Reply Brief, attention is called to the following.

On page 5 of its main brief petitioner states:

"The Warth generic method, as it would be carried out with this illustrated 'suitable mechanism,' is shown by the drawing opposite this page."

An inspection of that drawing shows:

"Fourth step—Applying heat and pressure after placing spot."

Below that statement is shown a plunger heated by gas.

That "Fourth step" and the heated plunger for accomplishing it never appeared in the application for patent 1,788,260 (the parent of the reissue). It was not described in the specification of that original application. That original application as filed said nothing about "A fourth step" or "Applying heat and pressure after placing spot."

Attention is called to the drawing, which we have reproduced on the opposite page, of reissue 19,117 which is the same drawing that appears in the parent patent 1,788,260. There is nothing in the application for the original 1,788,260 referring to "Applying heat and pressure *after* placing spot."

The first time that the "Fourth step" in the drawing of petitioner's brief opposite page 5 ever appeared in the Patent Office was when Warth filed the alleged divisional application on April 4th, 1933, which resulted in Patent No. 1,967,195. Fig. 6 appeared for the first time in that application as filed. Patent 1,967,195, in describing that figure 6, says (p. 4, ll. 16 *et seq.*):

"As hereinbefore stated, after the spot is positioned on the sealing pad heat and pressure may be applied, as by a plunger or a plunger and heated table. In Fig. 6 there is shown for this purpose a carrier *i* and a spring pressed plunger *j*. The plunger *j* is heated by gas jets, and thus the plunger serves as means for applying a continuing heat and pressure after the punching opera-

March 20, 1934.

A. H. WARTH

Re. 19,117

PROCESS OF PRODUCING CLOSURES

Original Filed Jan. 7, 1927

Fig. 1.

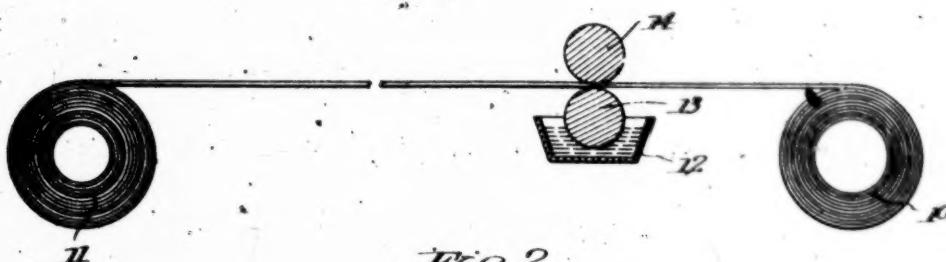


Fig. 2.

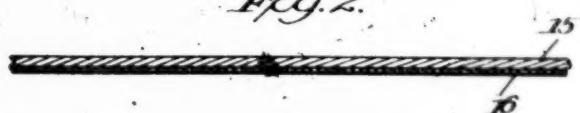


Fig. 3.

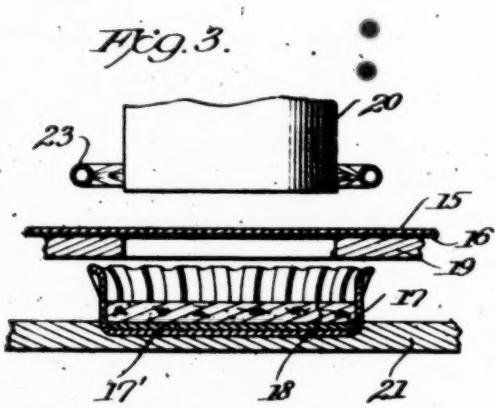


Fig. 4.

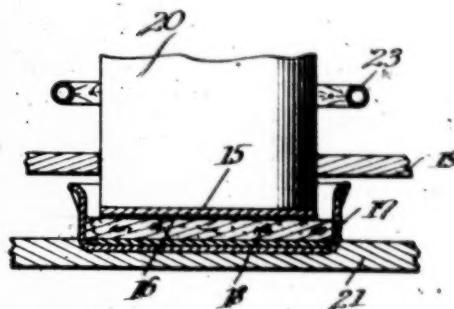


Fig. 5.

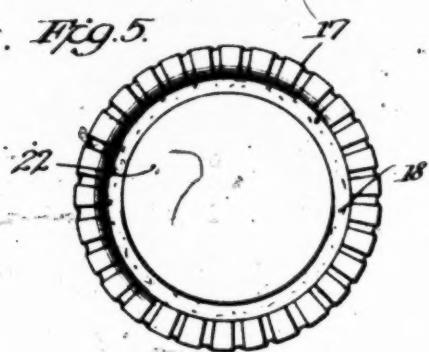
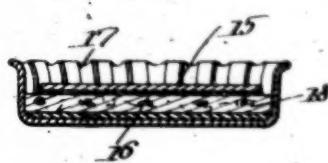


Fig. 6.



Inventor

Albin H. WARTH

Assignee
Cushman Bryant & Early

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tion to ensure complete fusion of the adhesive and a close adhesion of every portion of the disk 15 to the disk 18."

This matter was inserted by amendment filed June 21st, 1934 as a substitute for the following matter in the disclosure as filed:

"It is preferable after the disk 15 has been bonded to the cork disk 18, to thereafter subject them to continuing heat and pressure for a sufficient interval to ensure the complete fusion of the gutta percha and a close adhesion of every portion of the disk 15 to the disk 18. For this purpose, I have shown (Figure 6) a carrier i and a spring pressed plunger j. In the drawings, I have shown the punch 20 and plunger j as being heated by gas jets, but this is immaterial to the invention and other heating means may be employed." (p. 1438, Rec.)

No such disclosure appears in the application for the parent of the reissue, or in any of the intervening applications, viz. the strip material application, nor in either of the cap and method patents referred to in our main brief, so far as the record shows.

Obviously this additional figure and the statement we have quoted was put in for the sole purpose of justifying Warth in getting into interference with the Johnson patent. Unless he had in his application filed April 4, 1933 a means and description of applying heat and pressure after the spot was cut without the limitation of the temperature

"sufficient to fuse or soften the adhesive coating and make it tacky so that, at the time the disk is assembled with the cap, the heat and pressure will cause the disk to be adhesively united to the surface of the cushion material * * *." (Rec., p. 557, ll. 7 to 15.)

he would have had no disclosure for the expression in Claim 2, viz:

"and then placing the linings in the caps under heat and pressure to effect an intimate adhesion between the linings and pads" (p. 557, ll. 123/6, Rec.).

and the expression in Claim 3:

"then placing the linings in the caps under heat and pressure to effect an intimate adhesion between the linings and pads etc." (p. 557, ll. 138/42, Rec.).

As to claim 1 of patent 1,967,195 (claim 28 of the Johnson patent 1,852,578) the original application for patent 1,788,260 did not disclose in the specification or drawings a *cold cutting punch*, shown in the drawing opposite page 6, Petitioner's Brief.

This clearly shows that the alleged division 1,967,195 is not in any sense a proper division of either 159,743, the application for the parent of the reissue, nor is it a proper division of the strip material patent 494,201 because it has matter which was not shown or described in either, and it was for a step not set forth in either the patent or the application.

This new and additional step called for in application for patent 1,967,195, the preheating patent, and illustrated in said sketch opposite pages 5/6 of Petitioner's main Brief, is supplemental to the attachment of the center spot to the disc by the simultaneous application of heat and pressure immediately following the cutting of the disc from the strip material and by the same agency. In this connection the Court's attention is also directed to the drawing opposite page 6 in Petitioner's main Brief in which it is noted that the number and relation of parts is the same as in the other sketch opposite page 5 with the following exceptions:

A burner is shown for heating the discs as they approach the dies for cutting the spot from the strip material and the plunger of the cutting die is shown as being without heat of any kind which also is foreign to any disclosure made by Warth either in his application for patent No. 1,788,260 (Reissue 19,117) or in any other application of record. The court is most earnestly urged to compare the drawings of the reissue patent 19,117 appearing opposite this page and

the two drawings opposite pages 5 and 6 respectively of Petitioner's main Brief.

The practice followed by Warth in this case is on all fours with that referred to by this court in *Coan vs. Wilson*, 113 U. S. 268, cited at page 41 of our main brief in that after Warth had knowledge of the Johnson patent, he deliberately filed his alleged divisional application including matter which would enable him to insert claims covering the Johnson invention notwithstanding that this matter never appeared in any of his prior applications. **In connection with petitioner's insistence that no interference was declared between the Johnson patent and the Warth application on appeal, it is obvious that Warth was never entitled to make the claims of the Johnson patent until he filed the application for the preheating patent 1,967,195, in April, 1933 showing the additional matter supporting such claims.**

It is apparent that the matter on the drawing opposite page 5/6 of Petitioner's main brief have no support in either the application for the reissue or the preheating application of April 4th, 1933.

Consequently when the Examiner made his interference search before the issue of the Johnson patent there were not only **no claims** conflicting with Johnson's claims (as pointed out on p. 23/4 of our main brief) but there was **no disclosure** in any of Warth's various applications which would support such claims.

Cases Cited By Petitioner.

A careful reading of the cases cited by petitioner (pp. 10-23) on the questions of divisional applications, continuing applications, publication, reissues and other points relevant to the prosecution of an application through the Patent Office, having in mind the difference between the facts disclosed in each and the facts in the case at bar, shows that they in no way affect the position taken by respondent upon those points in its briefs previously filed herein.

Furthermore, in the opinion of counsel, it has been shown so conclusively that application Ser. No. 494,201, and the application for Patent No. 1,967,195, were not, and could not be, true divisions of Patent No. 1,788,260 that it is unnecessary to further consider the cases on the points mentioned.

Warth-Johnson Interference 66201.

Petitioner (Reply Br., p. 34) cites *Chillis vs. Weisberg*, 1928 C. D. 24 and argues that respondent did not attempt to offer evidence showing invention by Johnson prior to the filing date of the Warth application for Patent No. 1,788,260. The attention of the Court has been heretofore called to the fact that there is no disclosure in this application even as originally filed corresponding with the disclosure of the Johnson application.

Johnson assigned his patent to petitioner in December, 1933 and received at the time of said transfer from petitioner a license to manufacture the apparatus of that patent. This would seem to be a complete refutation of the claim that this assignment was ever put in escrow. The original assignment contains no reference to any escrow agreement, but was an absolute transfer.

There is nothing of record in the Patent Office to show that in determining the Warth-Johnson interference the Examiner of Interferences had any knowledge of this assignment and up to the time of the trial the assignment was never placed on record in the Patent Office (p. 440, Rec.).

Respondent is licensed to use the machines it bought from Johnson.

It is stated that petitioner is not clear as to the license right of respondent to use the Johnson machines (p. 35, Petr's. Reply Br.). Respondent therefore restates the conditions resulting in this license. Johnson invented a certain machine for applying the center spots to crown caps and

later took out a patent upon that machine which patent contained 27 apparatus claims and the 3 method claims in suit. Both before and after the filing of the Johnson patent and before and after the granting of said patent respondent purchased machines from Johnson, the inventor and legal owner of the apparatus and of the patent, and under the statute and under elementary law as to patents thereby became vested with the right to use these machines. Petitioner does not dispute that Johnson was the inventor and the lawful owner of the patent for such *apparatus*. Petitioner later purchased from Johnson his patent covering such apparatus. It would seem obvious that Johnson could not bring any proceeding against respondent for the use of those machines. It would seem equally obvious that petitioner having acquired title to the Johnson patent by purchase could not proceed against respondent for the use of Johnson's machines since it could get no greater rights than Johnson had. After purchasing the patent from Johnson petitioner granted Johnson an *unrestricted* license to manufacture the apparatus of that patent. Today Johnson alone or joined with petitioner could not bring an action against respondent for the use of such apparatus. The whole difficulty arises because of the interference proceeding referred to at pages 36/37, main brief, by which Warth obtained the patent upon the claims covering the functioning of the Johnson apparatus, although actually Warth was not the inventor of that apparatus, but Johnson was. And when everything is said and done, the three method claims of Johnson which became the three method claims of the Warth patent 1,967,195 call for nothing except the functioning of the Johnson apparatus.

Petitioner on page 36 of its reply brief, refers to the case of *Hartford Empire Co. vs. Nivison-Weiskopf Co.*, 58 Fed. (2) 701 and says:

"The facts were the same as in the case at bar."

An inspection of the cited case shows it has not the slightest application and the facts are not even remotely analogous

to the facts in the case at bar. In the case at bar, respondent purchased the machines from *Johnson*. That is not denied either in the main or reply brief of petitioner. In the case at bar, petitioner, after the institution of the alleged interference with *Johnson*, purchased the *Johnson* patent with the 27 apparatus claims and the *Johnson* patent had the three method claims in controversy.

The Court said in the *Hartford Empire Co.* case, at pages 705/6:

"It is, however, equally true that the purchase of the *Miller* applications by the plaintiff did not give the defendant, as licensee of *Miller*, any license to *other patents or applications outstanding*, and the suit here in question is upon a patent in *which Miller had no property interest* and which, rightly or wrongly, was held in the Patent Office to take precedence over the *Miller* applications."

The difference between the *Hartford* case and the case at bar is that in the case at bar respondent is licensed under the statute and the decisions of this Court mentioned on page 36 of our main brief, to use the apparatus described and claimed in the *Johnson* application and patent which petitioner purchased, with full knowledge of defendant's use of the same, and the claims of that patent purchased by petitioner are the ones in controversy. In the cited case an attempt was made to establish a license from *Miller* to the use of a feeder in which *Miller* had no legal rights. In the present case *Johnson* was the legal owner of a patent covering the apparatus used by respondent and the plaintiff purchased that patent from *Johnson*.

Petitioner's Discussion of the Fact Testimony.

Petitioner on pages 28 *et seq.* of its reply brief discusses the testimony of *Cohn* in reference to Exhibit Q. We think a fair reading of that testimony shows that what *Cohn* was saying was that the machine in which he afterwards com-

bined the spot and cork in one operation was the same kind as Exhibit Q. Petitioner refers to Cohn's answers to petitioner's interrogatories. It overlooks, however, the fact that the answers to interrogatories by respondent on page 44 of the record show that respondent had always used the pre-heating method shown by the Johnson patent.

In addition to that we refer to the evidence found on page 209, Qs. 44/5; page 254, XQs. 423/9; page 281. Particular attention is called to the answer to XQs. 486/7, pages 260/61 Record.

In connection with the purchase of the five machines by petitioner from Johnson in 1929, petitioner on page 32 of its reply brief again intimates that petitioner gave instructions to Johnson to build these machines. The evidence is quite to the contrary. There is not a word from any of the witnesses for petitioner to that effect. Petitioner's witness Goebel said, (p. 413, Rec.) in answer to XQ369:

*"A: We bought a couple of spotting machines from Johnson to be sent to our Toronto plant and we took them to our Highlandtown plant to ascertain that they would operate and run. * * *"*

He said in answer to XQ373 that he did not know there were five. He only knew of two. Goebel was the building engineer on all production machinery and acquisition and maintenance of production machines (p. 366 Rec.).

Furthermore, on page 900 Record, there is a letter from Johnson to petitioner stating that petitioner would have to pay the freight. That is entirely inconsistent with petitioner's argument that these machines were built on special order by Johnson for petitioner.

Prior Art.

The petitioner has filed a lengthy supplemental brief on the question of the art relating to center spot crowns.

In reply to that brief, it is merely desired to state that center spot crowns of the type referred to in the two patents before the Court were admittedly manufactured and sold by petitioner, or its immediate predecessor, continuously from 1917 (pp. 1589/91 Rec.) to the time of the suit, and that these caps had a cushion disc and a metal foil spot accurately centered in relation to the cushion disc and bonded thereto by means of gutta-percha tissue.

It is conceded that gutta-percha tissue is a thermo-plastic or heat fusible material and the Court found (p. 1790 Rec.) that heat and pressure were used in the operation of the slide machine to fuse the gutta-percha and cause the center spot to adhere to the cushion disc by pressure from a heated plunger, placing the spot upon the cushion disk. This same procedure was also disclosed in the "apparatus for cutting and assembling spot centers" referred to in Warth's abandoned application (p. 1737, Rec.).

The patents of Warth directed to such a center spot crown were held to be invalid by both the District Court and the Circuit Court of Appeals, 2nd Circuit (pp. 1831/2 Rec.).

Strip material coated with gutta-percha as an adhesive, made the subject matter of another patent in suit, was used by defendant in the early part of 1925 (p. 1781 Rec.), and the Court held that Warth was not the inventor of such strip material. In view of the above, it is submitted that a detailed discussion of prior art patents further than that set forth in our main brief (pp. 47/53) is not enlightening and therefore respondent refrains from any further discussion thereof.

At this point, however, we repeat that it is obvious that Warth's alleged invention, if any, was for a mere functioning of a machine, and was not a proper method. As shown above the use of heat and pressure *per se*, in applying spots was old. The "process could be performed by hand or by different mechanisms." *Michigan Carton Co. vs. Sutherland Paper Co.*, 29 F. (2) 179, quoted at page 19

Petitioner's Supplemental Brief. The high rate of production, and great commercial success claimed by petitioner were due to the improved *mechanism* used in practicing the old and well known method. In other words the machine was new, but the article and method were old.

IN CONCLUSION.

It is submitted that the decree of the Circuit Court of Appeals as to both patents should be affirmed.

Respectfully,

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